

INTRODUCTION

The Department of Housing and Urban Development (HUD) consolidated the planning and application process of four HUD funded grant programs in 1995. The purpose was to coordinate program requirements and simplify the process of requesting and obtaining federal funds. The City of Cambridge receives five such grants, including the Community Development Block Grant (CDBG), the HOME Investment Partnership Program Grant (HOME), Emergency Shelter Grant (ESG) and new for fiscal-year 2005 is the American Dream Down-payment Initiative (ADDI) and Housing Opportunities for Persons With AIDS (HOPWA) funding.

The City submitted its Five-Year Consolidated Plan in May 2000. The time frame of the plan is July 1, 2000 - June 30, 2005. It describes the City's plan to create a viable urban community that offers decent affordable housing, a suitable living environment and expanding economic opportunities especially for low and moderate-income persons. The activities the City will undertake to achieve its stated objectives are detailed in this document. The consolidated planning process is intended to achieve the following:

- To promote citizen participation in the development of local priority needs benefiting low and moderate income persons;
- To develop a one-year action plan that will be the basis for assessment of performance; and
- To consult with public and private agencies on identifying needs and appropriate actions required to address the needs.

The purpose of the annual One-Year Action Plan is to update the Five-Year Consolidated Plan and to provide the City with a basis for assessment through the Consolidated Annual Performance and Evaluation Reports (CAPERs). The One-Year Action Plan describes the resources expected to be available in the coming program year from Federal, non-Federal and private sources. It includes a description of the activities that will be undertaken to meet the stated objectives in the Five-Year Consolidated Plan, including those designed to meet homelessness and other special needs. The Action Plan also describes actions to be undertaken to address obstacles in meeting the needs of the under-served, removing barriers, and enhancing coordination in the community.

Fiscal-year 2005 will be the 5th and final year outlined in the City's 5-year Consolidated Plan. Fiscal-year 2006's submission will be Year-One in the next 5-year Consolidated Plan, which will be submitted in May of 2005.

Funding Levels for Fiscal-Year 2005:	
CDBG	\$3,817,000
HOME	\$1,180,274
ESG	\$141,856
ADDI	\$111,504
HOPWA	\$659,000
Total HUD Funding:	\$5,909,634

Neighborhood Revitalization Strategy

In recent years, the U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD) has stressed a coordinated marshalling of resources to facilitate entitlement communities' ability to engage in comprehensive community revitalization strategies. Comprehensive community revitalization strategies seek to create partnerships among federal and local governments, the private sector, community organizations and neighborhood residents. HUD seeks to create communities of opportunity in neighborhoods by stimulating the reinvestment of human and economic capital and economically empowering low-income residents.

Through this effort, entitlement communities may define a Neighborhood Revitalization Strategy Area (NRSA) that meets the threshold for low/moderate income (LMI) residents (55.75% in Cambridge), and that is also primarily residential. Within in this area the City is then afforded much greater flexibility in the use of CDBG funds. The duration of the Strategy is 5 years, and is integrated into the One Year Action Plan and Consolidated Annual Performance Evaluation Reports as component of the City's Community Development Department's activities.

The City submitted an NRS plan to HUD in 2002 and the plan was accepted with an effective date of July 1, 2002. The NRS plan involves initiatives in both Economic Development and Housing. Additionally, the City has- through its Human Services providers and website- made an effort to inform eligible residents of existing Earned Income Tax Credit (EITC) and Food Stamp programs and opportunities. Please see each Department's narrative for detailed explanation and overview of each program:

Economic Development NRS Programs

- Financial Literacy
- Retail Best Practices
- Bio-Med Career Training & Placement
- Career Training & Advancement Program partnership

Housing NRS Programs

- Home Improvement Program
- Youthbuild and RAP rehab youth crews

Outputs/Outcomes

Mirroring a trend that has achieved full-steam in the Private Sector, the U.S. Office of Management & Budget (OMB) now is requiring recipients of Federal Funding to assess the Outputs and Outcomes of the program in question.

Therefore we are beginning a new effort to establish and track MEASURABLE GOALS and IMPACT vis-à-vis CDBG funded programs. We have, in the past, attempted to quantify the effectiveness of our programs, and now this effort has been more clearly defined.

For example:

Output measurement attaches to the successful execution of a program's particular task.

Outcome measurement then tracks what BENEFIT was obtained by the successful execution of that particular task.

A new focus on Outcome and Output measurements will be key in achieving and maintaining effective dollar utilization. This will be key in preserving funds in our present state of economic uncertainty, as well as preserving the public's faith in our management of these funds.

Performance Measurement System

Each of the City's Divisions that receive CDBG, HOME and ESG funds employ a Performance Measurement System specific to their function. The Performance Measurement Systems enable City staff to assess program effectiveness and efficiency in a more standardized manner and to establish productivity measures.

Affordable Housing Development & Rehabilitation

The Housing Division's Performance Measurement System is comprised of 3 primary segments that capture all phases from need-assessment to production and outcome.

The first segment of the Performance Measurement System is initiated by the City's non-profit sub-recipients- who provide City staff with potential cases and projects as they arise.

New Programs

The City of Cambridge has received two new HUD grants for FY 2005:

- **Housing Opportunities for Persons With AIDS (HOPWA)**

The HOPWA program was created by Congress in 1992 and is intended to support a variety of housing and housing-related initiatives exclusively for persons living with AIDS/HIV and their families. By virtue a federal re-allocation of funds and lead administrators based on the numbers of individuals infected by AIDS/HIV in given areas, the City of Cambridge has been designated by HUD to administer all HOPWA funds for the entirety of Middlesex County beginning in FY 2005.

- **American Dream Down-payment Initiative (ADDI) HOME Grant**

The American Dream Downpayment Initiative (ADDI) was created to help low-income first-time homebuyers achieve homeownership by providing financial assistance. Signed into law on December 16, 2003, ADDI is administered as part of the HOME Investment Partnerships Program (HOME).

External Factors

The programs and performance estimates quoted in this document may be affected adversely by the present state of the U.S. economy. The impact is essentially unquantifiable at the time of this report, and may have no impact whatsoever. It is important to note, however, that as funds are deployed to various needs from both the Federal, State and Local Governments and Private Donors, priorities may shift and availability may change.

Additionally, at the time of this submission the City is currently seeking to replace the recently departed Housing Director. This change in Management staff might have an impact on the coming year's initiatives, although no adverse impact is expected.

Collaboration & Outreach

The Community Development Department has worked closely with the Department of Human Services in the development of the One-Year Action Plan. Collaboration also included consultation with the City Manager's Office, the Cambridge Housing Authority, the Cambridge Historical Commission, the Cambridge Commission for Persons with Disabilities, the Cambridge Human Rights Commission, the Human Service Commission, the Cambridge Public Health Commission, Cambridge and Somerville Cooperative Apartment Program, Just A Start Corporation, Homeowner's Rehab, Inc., AIDS Housing Corporation and homeless and special needs providers.

Funding Cycle Change for Public Services

Cambridge's Human Services Commission, along with Department staff, decided to change to a 3-year funding cycle effective July 1, 2002. The rationale for this change and its operational details are as follows:

- Contracts will last for up to 3 years (July 1, 2002 – June 30, 2005) unless specified otherwise;
- At the end of each operating year, there will be a contract continuation process; and
- Contracts will be continued for the next operating year based on the project's ability to meet HUD guidelines, its annual performance and the receipt of federal funding.

The following factors were considered in our decision to move into a 3-year cycle:

- It facilitates the CDBG funding process, both for the agencies and the Department;
- It offers a more stable commitment to the community agencies;
- In large part, the same providers were being rolled over from one fiscal year to the next; and
- Currently, an open RFP process takes place every three years; with many other local cities and towns having a multi-year CDBG funding process in place, i.e., Somerville and Newton.

For additional information on HUD, the Community Development Block Grant (CDBG) program and the relationship Cambridge, as a grantee, has with the Department of Housing and Urban Development, please visit:

<http://www.hud.gov/offices/cpd/library/hyperfaq/index.cfm>

and the City's website at: <http://www.ci.cambridge.ma.us/~CDD/cdbg/index.html>